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| efile Public Visual Render | | ObjectId: 201433189349302763 - Submission: 2014-11-14 | TIN: 56-1376950 |
| Schedule J (Form 990) | Compensation Information | | |
| Department of the Treasury Internal Revenue Service | For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees ► Complete if the organization answered "Yes" to Form 990, Part IV, line 23. ► Attach to Form 990. ► See separate instructions. ► Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990 . | | |
| Name of the organization NOVANT HEALTH INC | Employer identification number 56-1376950 | | |

PLAINTIFF'S
EXHIBIT

115

| Part I Questions Regarding Compensation | Yes | No |
|--|--|----|
| 1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. | | |
| <input checked="" type="checkbox"/> First-class or charter travel <input checked="" type="checkbox"/> Travel for companions <input checked="" type="checkbox"/> Tax indemnification and gross-up payments <input checked="" type="checkbox"/> Discretionary spending account | <input checked="" type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input checked="" type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) | |
| 1b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain | Yes | |
| 2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a? | Yes | |
| 3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. | | |
| <input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee | |
| 4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization: | | |
| a Receive a severance payment or change-of-control payment? | Yes | |
| b Participate in, or receive payment from, a supplemental nonqualified retirement plan? | Yes | |
| c Participate in, or receive payment from, an equity-based compensation arrangement? | Yes | |
| If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III. | | |
| Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9. | | |
| 5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: | | |
| a The organization? If "Yes," to line 5a or 5b, describe in Part III. | No | |
| b Any related organization? If "Yes," to line 5a or 5b, describe in Part III. | No | |
| 6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: | | |
| a The organization? If "Yes," to line 6a or 6b, describe in Part III. | No | |
| b Any related organization? If "Yes," to line 6a or 6b, describe in Part III. | No | |
| 7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III. | | |
| 8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III. | | |
| 9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? | | |

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat. No. 50053T Schedule J (Form 990) 2013

Page 2

Page 2

Schedule J (Form 990) 2013

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

| (A) Name and Title | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation reported as deferred in prior Form 990 |
|---|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
| | (i) Base compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| 1ALUKO AKINELETRUSTEE | (i) 0 (ii) 424,150 | 0 0 | 0 13,585 | 0 126,060 | 0 25,122 | 0 588,917 | 0 0 |
| 2ARMATO CARL CEO PRES NH(*SEE ADD'L INFO IN SCH J P3) | (i) 1,044,780 0 | 917,964 0 | 6,160,463 0 | 57,800 0 | 39,372 0 | 8,220,379 0 | 4,819,072 0 |
| 3HARGRETT FRED EVP CFO NH(*SEE ADD'L INFO IN SCH J P3) | (i) 611,703 0 | 561,004 0 | 1,464,315 0 | 57,800 0 | 31,674 0 | 2,726,496 0 | 1,422,473 0 |
| 4BEST DIANA SVP CLINICAL OPER IMPROV(*SEE ADD'L INFO IN SCH J P3) | (i) 339,252 0 | 239,526 0 | 619,847 0 | 92,311 0 | 22,545 0 | 1,313,481 0 | 421,757 0 |
| 5BILLINGS DERRICK PRES NHSS(*SEE ADD'L INFO IN SCH J P3) | (i) 559,719 0 | 399,360 0 | 590,585 0 | 56,798 0 | 9,832 0 | 1,616,294 0 | 556,904 0 |
| 6CURETON JESSEVP & CHIEF CONSUMER OFFICER | (i) 502,517 0 | 156,000 0 | 28,442 0 | 143,167 0 | 26,256 0 | 856,382 0 | 0 0 |
| 7DANIELS JACQUELINE EVP CAO(*SEE ADD'L INFO IN SCH J P3) | (i) 543,607 0 | 545,680 0 | 8,705,151 0 | 77,839 0 | 16,789 0 | 9,889,066 0 | 2,793,447 0 |
| 8GARDELLA JOHNVP CLINICAL IMPROVEMENT | (i) 276,843 0 | 123,231 0 | 13,625 0 | 35,840 0 | 19,546 0 | 469,085 0 | 0 0 |
| 9GARMON-BROWN OPHELIASVP PHYSICIAN SERVICES | (i) 345,906 0 | 138,480 0 | 21,926 0 | 115,800 0 | 24,107 0 | 646,219 0 | 7,500 0 |
| 10GARRETT DAVIDSVP CHIEF INFO OFFICER | (i) 399,097 0 | 242,270 0 | 33,188 0 | 123,750 0 | 22,402 0 | 820,707 0 | 7,500 0 |

| | | | | | | | | |
|--|-------------|-------------------|--------------|-----------------|------------------|------------------|--------------------|----------------|
| 11 JOHNSON TONY SVP SUPPLY CHAIN(*SEE ADD'L INFO IN SCH J P3) | (i) (ii) | 320,345 0 | 205,260 0 | 611,923 0 | 57,800 0 | 5,753 0 | 1,201,081 0 | 583,743 0 |
| 12 LEDERER JAMES VP CLINICAL IMPROVEMENT | (i) (ii) | 309,132 0 | 117,860 0 | 18,839 0 | 83,947 0 | 16,623 0 | 546,401 0 | 7,500 0 |
| 13 LINER SALLY EVP CCO(*SEE ADD'L INFO IN SCH J P3) | (i) (ii) | 501,462 0 | 507,094 0 | 335,950 0 | 254,810 0 | 27,660 0 | 1,626,976 0 | 236,603 0 |
| 14 MCGEE LAWRENCE EVP COUNSEL(*SEE ADD'L INFO IN SCH J P3) | (i) (ii) | 384,909 0 | 304,420 0 | 590,712 0 | 156,200 0 | 24,434 0 | 1,460,675 0 | 445,287 0 |
| 15 MILLER MARKS VP OPERATIONAL FINANCE | (i) (ii) | 353,574 0 | 223,920 0 | 24,494 0 | 111,300 0 | 30,940 0 | 744,228 0 | 0 0 |
| 16 MORGAN WAYNE SVP & CHIEF INVEST OFFICER | (i) (ii) | 329,419 0 | 234,346 0 | 23,298 0 | 113,054 0 | 29,922 0 | 730,039 0 | 7,500 0 |
| 17 MYERS SCOTT SVP CORPORATE FINANCE | (i) (ii) | 274,388 0 | 179,868 0 | 11,782 0 | 107,978 0 | 5,245 0 | 579,261 0 | 0 0 |
| 18 PARK DAVID SVP REAL ESTATE(*SEE ADD'L INFO IN SCH J P3) | (i) (ii) | 278,317 0 | 203,100 0 | 553,043 0 | 63,296 0 | 22,967 0 | 1,120,723 0 | 515,808 0 |
| 19 PATEFIELD ARTHUR SVP & CHIEF MED INFO OFF | (i) (ii) | 380,948 0 | 304,980 0 | 35,666 0 | 55,800 0 | 33,728 0 | 811,122 0 | 7,500 0 |
| 20 SEEHAUSEN ROBERT SVP BUSINESS DEV(*SEE ADD'L INFO IN SCH J P3) | (i) (ii) | 384,481 0 | 240,480 0 | 2,207,396 0 | 63,282 0 | 28,132 0 | 2,923,771 0 | 1,859,152 0 |
| 21 SMITH-HILL JANET SVP HUMAN RESOURCES | (i) (ii) | 371,115 0 | 237,744 0 | 30,847 0 | 106,550 0 | 28,561 0 | 774,817 0 | 7,500 0 |
| 22 VINCENT PAULA SVP FOUNDATIONS(*SEE ADD'L INFO IN SCH J P3) | (i) (ii) | 332,914 0 | 247,516 0 | 2,689,034 0 | 53,755 0 | 12,951 0 | 3,336,170 0 | 264,675 0 |
| 23 WALLENHAUPT STEPHEN EVP CMO(*SEE ADD'L INFO IN SCH J P3) | (i) (ii) | 517,755 0 | 523,518 0 | 1,097,177 0 | 63,300 0 | 28,714 0 | 2,230,464 0 | 967,313 0 |
| 24 BURKE MARGARET SVP BUSINESS RISK | (i) (ii) | 230,711 0 | 127,420 0 | 17,343 0 | 60,540 0 | 5,068 0 | 441,082 0 | 0 0 |
| 25 EVERETT CATHERINE EVP NOVANT MARKETING AND PR | (i) (ii) | 221,360 0 | 96,870 0 | 10,995 0 | 57,304 0 | 10,286 0 | 396,815 0 | 0 0 |
| 26 HEALY PATRICK SVP CLINICAL IMPROVEMENT | (i) (ii) | 274,875 0 | 120,966 0 | 9,680 0 | 94,157 0 | 30,541 0 | 530,219 0 | 0 0 |
| 27 RILEY MICHAEL PRESIDENT NHCOH | (i) (ii) | 250,996 0 | 134,920 0 | 22,622 0 | 42,254 0 | 22,404 0 | 473,196 0 | 0 0 |
| 28 WEBER DANIELLE SVP REVENUE CYCLE | (i) (ii) | 96,181 0 | 184,164 0 | 47,966 0 | 32,703 0 | 4,873 0 | 365,887 0 | 7,500 0 |
| 29 WILES PAUL FMR CEO | (i) (ii) | 0 0 | 0 0 | 329,978 0 | 0 0 | 0 0 | 329,978 0 | 0 0 |
| 30 WOOLLEN THOMAS FMR SVP PHYSICIAN SERVICES | (i) (ii) | 52,854 291,507 | 0 0 | 10,901 4,956 | 52,500 56,810 | 11,121 22,430 | 127,376 375,703 | 0 0 |
| 31 BEIER GREGORY FMR EVP & PRES NOVANT OPS | (i) (ii) | 0 0 | 645,519 0 | 707,610 0 | 0 0 | 10,780 0 | 1,363,909 0 | 132,331 0 |

Schedule J (Form 990) 2013

Page 3

Schedule J (Form 990) 2013

Page 3

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II.

Also complete this part for any additional information.

| Return Reference | Explanation |
|--------------------|---|
| PART I, LINE 1A | PART I, LINE 1A: FRINGE OR EXPENSE EXPLANATION FIRST-CLASS OR CHARTER TRAVEL: FIRST-CLASS OR CHARTER TRAVEL IS NOT A COVERED TRAVEL EXPENSE FOR EXECUTIVES; THEY ARE LIMITED TO BUSINESS OR COACH CLASS FARES FOR COMMERCIAL FLIGHTS. HOWEVER, CHARTER TRAVEL IS AVAILABLE TO CERTAIN EXECUTIVES, BOARD MEMBERS, AND APPROVED BUSINESS PERSONNEL IN LIMITED CIRCUMSTANCES DEEMED TO INVOLVE BUSINESS NECESSITY. TRAVEL FOR COMPANIONS: COMPANIONS ARE ALLOWED ON CERTAIN CHARTER FLIGHTS PAID FOR BY THE ORGANIZATION. IN THAT CASE, THE VALUE OF THE COMPANION'S FLIGHT IS CALCULATED UNDER APPLICABLE TAX LAWS AND THAT AMOUNT IS INCLUDED IN THE EXECUTIVE'S TAXABLE INCOME AS PRESCRIBED BY THE APPLICABLE TAX LAWS. TAX INDEMNIFICATION AND GROSS-UP PAYMENTS: EXECUTIVES WHO PURCHASE SPLIT DOLLAR INSURANCE THROUGH THEIR DISCRETIONARY SPENDING ACCOUNT MAY HAVE THE ADDITIONAL INCOME TAX OWED ON THE PS-58 COSTS PAID BY THE ORGANIZATION. EXECUTIVES WHO RECEIVE TAXABLE RELOCATION INCOME MAY HAVE THE ADDITIONAL INCOME TAX OWED ON THE INCOME PAID BY THE ORGANIZATION. EXECUTIVES MAY RECEIVE AS SEVERANCE BENEFITS CASH PAYMENTS IN LIEU OF PREMIUMS PAID FOR COVERAGE OF CERTAIN BENEFITS THAT ENDED WITH THE EXECUTIVE'S TERMINATION. THE ORGANIZATION MAY PAY THE ADDITIONAL TAX OWED ON ACCOUNT OF THESE PAYMENTS. DISCRETIONARY SPENDING ACCOUNT: CERTAIN EXECUTIVES RECEIVE A DISCRETIONARY SPENDING ACCOUNT. THE DOLLAR AMOUNT IN THE ACCOUNT IS PRE-APPROVED BY THE COMPENSATION AND LEADERSHIP COMMITTEE OF THE NOVANT HEALTH BOARD OF TRUSTEES. THE ACCOUNT CAN BE USED ONLY FOR AN APPROVED LIST OF EXPENDITURES. ALL OPTIONS OTHER THAN A DEFERRED, AT-RISK, COMPENSATION OPTION ARE CONSIDERED TAXABLE AND ARE INCLUDED IN THE EXECUTIVE'S TAXABLE INCOME AS PRESCRIBED BY THE APPLICABLE TAX LAWS. HOUSING ALLOWANCE OR RESIDENCE FOR PERSONAL USE: WE PROVIDE TEMPORARY HOUSING ALLOWANCES IN CERTAIN EXECUTIVE RECRUITMENT AND RELOCATION PACKAGES. IN THE CASE THAT SUCH EXPENSE IS NOT REIMBURSABLE UNDER THE ACCOUNTABLE PLAN RULES, THE VALUE IS CALCULATED UNDER APPLICABLE TAX LAWS AND THAT AMOUNT IS INCLUDED IN THE EXECUTIVE'S INCOME AS PRESCRIBED BY THE APPLICABLE TAX LAWS. HEALTH OR SOCIAL CLUB DUES OR INITIATION FEES: IN CASES WHERE CORPORATE MEMBERSHIPS ARE NOT AVAILABLE, A MEMBERSHIP MAY BE OBTAINED IN AN EXECUTIVE'S NAME WITH A "BUSINESS USE ONLY" RESTRICTION. |
| PART I, LINES 4A-C | PART I, LINES 4A-C: SEVERANCE NONQUALIFIED, AND EQUITY-BASED PAYMENTS SEVERANCE NONQUALIFIED EQUITY-BASED ARMATO, CARL *6,109,321 BEIER, GREGORY *680,000 124,831 BEST, DIANA LEE *585,518 BILLINGS, DERRICK *556,904 DANIELS, JACQUELINE *8,663,598 HARGETT, FRED *1,414,973 JOHNSON, TONY *576,243 LINER, SALLY *261,107 MCGEE, LAWRENCE *437,787 PARK, DAVID *508,308 SEEHAUSEN, ROBERT *2,167,708 VINCENT, PAULA *2,653,713 WALLENHAUPT, STEPHEN *1,069,038 WILES, PAUL 69,791 302,000 *SCHEDULE J PART II COLUMN B(III): IN 2012, THE INDEPENDENT AND DISINTERESTED MEMBERS OF THE NOVANT HEALTH BOARD OF TRUSTEES COMPENSATION AND LEADERSHIP COMMITTEE (THE "COMMITTEE") ENGAGED INTEGRATED HEALTHCARE STRATEGIES TO ASSESS THE MARKET AND DESIGN A NEW SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN ("NEW SERP") THAT WOULD BE MORE IN LINE WITH MARKET PRACTICE AND INDUSTRY TRENDS AND THAT WOULD BETTER ACCOMPLISH NOVANT HEALTH'S STRATEGIC EXECUTIVE RETENTION AND ATTRACTION GOALS, AND TO REPLACE THE EXISTING PLAN. IN 2013, THE COMMITTEE APPROVED A NEW DEFINED CONTRIBUTION SERP, TO BE EFFECTIVE 1/1/2014, AND TERMINATED THE EXISTING DEFINED BENEFIT PLAN, WHICH HAS BEEN DESCRIBED IN DETAIL IN PRIOR NOVANT HEALTH FORM 990S. AS 2013 WAS A TRANSITION YEAR, SERP BENEFITS PAID OUT AS A RESULT OF THE TERMINATION OF THE EXISTING DEFINED BENEFIT PLAN HAVE BEEN INCLUDED IN THE COMPENSATION AMOUNTS REPORTED IN PART VII AND IN COLUMN (B)(III) OF SCHEDULE J, AND DEFERRED COMPENSATION AMOUNTS THAT ACCRUED IN 2013 UNDER THE NEW SERP TO BE CONTRIBUTED TO PARTICIPANTS IN 2014 ARE REPORTED IN COLUMN (C) OF SCHEDULE J. THE AMOUNTS REFLECTED IN COLUMN F AS PREVIOUSLY REPORTED REFLECT THE CUMULATIVE AMOUNTS RECORDED ON PRIOR 990S IN COLUMN C AS DEFERRED COMPENSATION. THE AMOUNT IS THEN ADJUSTED FOR ANY PRIOR YEAR'S PAYMENTS THAT HAVE BEEN REPORTED PREVIOUSLY IN COLUMNS B(III) AND F. THE AMOUNTS PREVIOUSLY REPORTED AS DEFERRED COMPENSATION IN COLUMN C WERE DETERMINED USING AN ACTUARIAL CALCULATION THAT IS BASED ON SEVERAL FACTORS INCLUDING CURRENT AND FUTURE SALARY EXPECTATIONS, EXPECTED FUTURE YEARS OF SERVICE, AND DISCOUNTED USING INTEREST RATES IN PLACE AT THE TIME OF CALCULATION. THE AMOUNT REPORTED IN COLUMN B(III) FOR THE PLAN PAYOUT WILL NOT EXACTLY REFLECT THE CUMULATIVE ACCRUALS REPORTED IN COLUMN F BECAUSE OF THE VARIABILITY OF THE CALCULATION'S FACTORS OVER TIME. IN ADDITION, DUE TO THE LUMP SUM NATURE OF THE FINAL PAYOUT, THE AMOUNTS REPORTED IN COLUMN C AS ACCRUED IN THE PRIOR YEAR WOULD NOT INCLUDE A PORTION OF THE AMOUNTS ACCELERATED INTO 2013. THE EXISTING DEFINED BENEFIT PLAN PARTICIPANTS' PAYMENTS VARIED BASED ON LENGTH OF SERVICE TO THE ORGANIZATION, WHICH RANGED FROM 8 TO 37 YEARS, AND VESTING STATUS AT THE TIME OF PLAN TERMINATION. THE NEW SERP IS INTENDED TO SUPPORT RETENTION OF KEY EXECUTIVES, AND TO OFFER COMPETITIVE TOTAL COMPENSATION. ELIGIBLE EXECUTIVES WILL BE NOMINATED BY THE CEO AND APPROVED BY THE COMMITTEE TO PARTICIPATE. GENERALLY, ANNUAL CONTRIBUTIONS TO THE PLAN OR PAYMENTS TO PARTICIPANTS WILL BE BASED ON A PERCENTAGE OF THE PARTICIPANT'S BASE SALARY AS OF JANUARY 1ST OF THE PREVIOUS PLAN YEAR. PRIOR TO MAKING THE CONTRIBUTIONS OR PAYMENTS, THE COMMITTEE WILL APPROVE THE AMOUNTS AS TO REASONABILITY, WHEN COMBINED WITH ALL OTHER ANNUAL COMPENSATION. A 3 YEAR CLASS-YEAR VESTING PERIOD WILL APPLY UP TO AGE 62, WHEN ALL MONEY WOULD BE VESTED AND PAID OUT TO THE PARTICIPANT. OTHERWISE, VESTING WILL OCCUR ON JANUARY 1ST OF EACH YEAR FOR THE APPROPRIATE CLASS-YEAR VESTING PERIOD. THE COMMITTEE REVIEWS, APPROVES, AND OVERSEES ALL ASPECTS AND ALL ELEMENTS OF EXECUTIVE COMPENSATION AND BENEFITS. SHARE OPTION PLAN: IN 2002, IN FULL COMPLIANCE WITH IRS RULES IN PLACE AT THAT TIME, NOVANT HEALTH, INC. ALLOWED CERTAIN SENIOR EXECUTIVES TO WAIVE THEIR RIGHTS TO EVENTUALLY RECEIVE BENEFITS UNDER THE ORGANIZATION'S SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP) AND INSTEAD PARTICIPATE IN A SHARE OPTION PLAN UNDER WHICH THEY COULD OBTAIN OPTION GRANTS OF EQUIVALENT VALUE TO PURCHASE MUTUAL FUND SHARES. THE IRS RULES SUBSEQUENTLY CHANGED, AND ACCORDINGLY NO ADDITIONAL OPTIONS WERE GRANTED AFTER MAY 8, 2002. MR. WILES RETIRED IN 2011 AFTER 40 YEARS OF SERVICE TO THE ORGANIZATION. IN 2012, MR. WILES EXERCISED THE MAJORITY OF HIS OPTIONS UNDER THE SHARE OPTION PLAN, AS REPORTED ON NOVANT HEALTH'S 2012 FORM 990. IN 2013, MR. WILES EXERCISED ADDITIONAL OPTIONS UNDER THE PLAN AND RECEIVED \$301,999.98 IN REPORTABLE COMPENSATION INCLUDED ON A FORM W-2 ISSUED TO MR. WILES. THIS TOTAL AMOUNT IS INCLUDED IN THE COMPENSATION AMOUNTS REPORTED IN PART VII OF THE FORM 990, AND IN COLUMN (B)(III) OF PART II OF SCHEDULE J OF THE FORM 990. RETIREMENT SECURITY AGREEMENT: RETIREMENT SECURITY AGREEMENTS ("RSAs") ENTERED INTO BY A PREDECESSOR ENTITY IN 1994 WERE ASSUMED BY NOVANT HEALTH, INC. AND SUBSEQUENTLY APPROVED BY THE COMPENSATION & LEADERSHIP COMMITTEE FOR TWO PARTICIPANTS, WHICH PROVIDED FOR SUPPLEMENTAL RETIREMENT SECURITY COMMISSIONER-AGE-RELATED PAYMENTS TO RAISE BENEFITS TO THE PERTINENT LEVELS AS AGREED IN THE COMPENSATION |

PART III - OTHER ADDITIONAL INFORMATION

DESCRIPTIONS OF SUPPLEMENTAL EXECUTIVE BENEFITS INCLUDED IN PART VII AND SCHEDULE J; EXECUTIVE ANNUAL INCENTIVE PLAN: AS PART OF THE REPORTED COMPENSATION AMOUNTS, THE REPORTING ORGANIZATION PROVIDES ANNUAL INCENTIVE COMPENSATION TO OFFICERS AND KEY EMPLOYEES UNDER AN EXECUTIVE ANNUAL INCENTIVE PLAN. THE INCENTIVE PLAN IS DESIGNED TO OFFER OPPORTUNITIES FOR ADDITIONAL COMPENSATION, BUT ONLY TO THE EXTENT THAT ELIGIBLE EXECUTIVES HAVE PROVIDED EXTRAORDINARY SERVICES AND ACHIEVED EXTRAORDINARY RESULTS THAT MEET OR EXCEED PREDETERMINED GOALS IN THE AREAS OF QUALITY, PATIENT SATISFACTION, EMPLOYEE SATISFACTION AND FINANCIAL VITALITY. THESE GOALS ARE ESTABLISHED AND APPROVED BY INDEPENDENT AND DISINTERESTED MEMBERS OF THE NOVANT HEALTH BOARD OF TRUSTEES (WHO COMPRIZE THE COMPENSATION AND LEADERSHIP COMMITTEE OF THE BOARD). THESE GOALS ARE WEIGHTED EQUALLY. THE ADDITIONAL COMPENSATION CAN RANGE ANYWHERE FROM ZERO TO A MAXIMUM PERCENTAGE OF BASE SALARY THAT DIFFERS BY THE CLASS OF EXECUTIVE; THIS MAXIMUM PERCENTAGE RANGES FROM 30% TO 70% OF BASE SALARY. IN ADDITION, THE COMPENSATION AND LEADERSHIP COMMITTEE OF THE BOARD WHO OVERSEE THE INCENTIVE COMPENSATION PROGRAM APPLY TWO "CIRCUIT BREAKERS," WHICH ARE SUBSTANTIAL LEVELS OF ORGANIZATION-WIDE ACHIEVEMENT THAT MUST BE SATISFIED BEFORE ANY AWARDS ARE PAID TO ANY EXECUTIVE UNDER THE PROGRAM. THE INCENTIVE COMPENSATION AWARDS HAVE BEEN INCLUDED IN THE COMPENSATION AMOUNTS REPORTED IN PART VII AND IN COLUMN (B)(II) OF SCHEDULE J. THEY ARE REPORTED IN THE YEAR PAID. THE COMPENSATION AND LEADERSHIP COMMITTEE OF THE BOARD REVIEW, APPROVE, AND OVERSEE ALL ASPECTS AND ALL ELEMENTS OF EXECUTIVE COMPENSATION AND BENEFITS, INCLUDING THE AMOUNTS AWARDED UNDER THIS ANNUAL INCENTIVE PLAN. LONG-TERM INCENTIVE PLAN: THE REPORTING ORGANIZATION OFFERS A LONG-TERM INCENTIVE PLAN (THE "PLAN") TO CERTAIN KEY EXECUTIVES. THE PLAN TIES A KEY EXECUTIVE'S COMPENSATION TO THE ORGANIZATION'S LONG-TERM STRATEGIC PERFORMANCE, PROVIDES A RETENTION INCENTIVE FOR KEY EXECUTIVES, AND ALLOWS THE ORGANIZATION TO COMPETE IN THE MARKETPLACE FOR TOP LEADERSHIP TALENT. THE PLAN OPERATES ON THREE-YEAR PERFORMANCE CYCLES THAT BEGIN EACH YEAR. LONG-TERM STRATEGIC GOALS (IN THE PRINCIPAL AREAS OF QUALITY OF PATIENT CARE AND LONG-TERM FINANCIAL STRENGTH) ARE ESTABLISHED AND APPROVED FOR EACH CYCLE, IN ADVANCE, BY INDEPENDENT AND DISINTERESTED MEMBERS OF THE NOVANT HEALTH BOARD OF TRUSTEES (WHO COMPRIZE THE COMPENSATION AND LEADERSHIP COMMITTEE OF THE BOARD). NOVANT HEALTH'S INTERNAL AUDIT DEPARTMENT REVIEWS THE METHODOLOGY AND PROCESS USED TO DETERMINE ACHIEVEMENT OF THE QUALITY METRICS. AWARDS ARE PAYABLE FOR A PARTICULAR THREE-YEAR PERFORMANCE CYCLE ONLY IF THE REQUISITE LEVEL OF COMMUNITY BENEFIT AND CHARITY CARE, ALONG WITH THE REQUIRED LEVEL OF FINANCIAL PERFORMANCE TO DEMONSTRATE LONG-TERM FINANCIAL STRENGTH, HAVE BEEN MET FOR THAT RESPECTIVE THREE-YEAR PERFORMANCE PERIOD. IF AN AWARD IS EARNED AT THE END OF A PERFORMANCE CYCLE, THEN THE INCENTIVE AWARD IS PAID OUT AND IS INCLUDED IN THE COMPENSATION AMOUNTS REPORTED IN PART VII AND IN COLUMN (B)(II) OF SCHEDULE J. THEY ARE REPORTED IN THE YEAR PAID. THE COMPENSATION AND LEADERSHIP COMMITTEE OF THE BOARD REVIEWS, APPROVES, AND OVERSEES ALL ASPECTS AND ALL ELEMENTS OF EXECUTIVE COMPENSATION AND BENEFITS, INCLUDING THE AMOUNTS AWARDED UNDER THE PLAN. PART I, LINE 4A - SEVERANCE PLAN: ELIGIBLE EXECUTIVES MAY RECEIVE SEVERANCE PAY THAT IS BASED ON ANNUAL COMPENSATION FOR A SPECIFIED PERIOD OF TIME. THE SEVERANCE PAY WOULD BE PAID ONLY IN THE EVENT OF CERTAIN TYPES OF EMPLOYMENT TERMINATION, AND IS FURTHER CONTINGENT ON THE SATISFACTION OF OTHER CONDITIONS SUCH AS COMPLIANCE WITH A NON-COMPETITION COVENANT. ANY CURRENT YEAR PAYMENTS HAVE BEEN INCLUDED IN THE COMPENSATION AMOUNTS REPORTED IN PART VII AND IN COLUMN (B)(III) OF SCHEDULE J. THE COMPENSATION AND LEADERSHIP COMMITTEE OF THE BOARD REVIEWS, APPROVES, AND OVERSEES ALL ASPECTS AND ALL ELEMENTS OF EXECUTIVE COMPENSATION AND BENEFITS, INCLUDING THE AMOUNTS AWARDED UNDER THIS SEVERANCE PLAN.

Schedule J (Form 990) 2013**[Return to Form](#)****Additional Data**

Software ID:
Software Version: